

TARIFF SCHEDULE

UTILITY: H2O, INC  
DOCKET NO: U-2234-93-230

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DECISION NO. 58641  
EFFECTIVE: JUNE 1, 1994

RATES AND CHARGES

CUSTOMER/MINIMUM CHARGE  
PER MONTH

<u>METER</u>	<u>CHARGE</u>	<u>GALLONS</u>
5/8 X 3/4"	\$15.00 FOR	1,000
3/4"	\$18.00 FOR	1,000
1"	\$37.00 FOR	1,000
1 1/2"	\$75.00 FOR	1,000
2"	\$120.00 FOR	1,000

SERVICE LINE & METER  
INSTALLATION CHARGES

<u>METER</u>	<u>CHARGE</u>
5/8 X 3/4"	\$285.00
3/4"	\$320.00
1"	\$360.00
1 1/2"	\$545.00
2"	\$915.00
3"	\$1,150.00
4"	\$1,885.00
6"	\$3,780.00

COMMODITY CHARGE (EXCESS OF MINIMUM):

\$1.78 PER 1,000 GALLONS TO 20,000 GALLONS  
\$2.11 PER 1,000 GALLONS OVER 20,000 GALLONS

SERVICE CHARGES:

1. ESTABLISHMENT (R14-2-403.D.1)	\$15.00
2. ESTABLISHMENT/AFTER HOURS (R14-2-403.D.2)	\$25.00
3. RECONNECTION/DELINQUENT (R14-2-403.D.1)	\$15.00
4. NSF CHECK (R14-2-409)	\$15.00
5. METER REREAD/IF CORRECT (R14-2-408.C.2)	\$10.00
6. METER TEST/IF CORRECT (R14-2-408.F.1)	\$25.00
7. DEFERRED PAYMENT (R14-2-409.G.6)	12.% PER ANNUM
8. DEPOSIT INTEREST (R14-2-403.B.3)	PER RULE
9. DEPOSIT (R14-2-403.B.7)	PER RULE
10. REESTABLISHMENT W/N 12 MOS (R14-2-403.D.1)	MONTHS OFF THE SYSTEM TIMES THE MINIMUM

OTHER RATES AND CHARGES APPROVED BY ORDER:

IN ADDITION TO THE COLLECTION OF ITS REGULAR RATES AND CHARGES, THE COMPANY SHALL COLLECT FROM ITS CUSTOMERS THEIR PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES OR USE TAX IN ACCORDANCE WITH R14-2-409.D.5.

## TARIFF SCHEDULE

UTILITY: H2O, INC.

SHEET NO. 1

DOCKET NO. W-02234A-00-0706  
DECISION NO.

EFFECTIVE DATE:

### OFF-SITE CAPACITY RESERVATION CHARGE

#### I. Purpose and Applicability

The purpose of the capacity charges payable to H2O, Inc. ("the Company") pursuant to this tariff is to equitably apportion the costs of constructing additional facilities to provide water production, storage, pressure and fire flow among all new service connections. These charges are applicable to all new service connections established after the effective date of this tariff. The charges are one-time charges and are payable as a condition to Company's establishment of service, as more particularly provided below.

#### II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

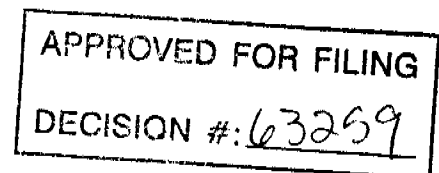
"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections.

"Company" means H2O Inc., an Arizona corporation.

"Main Extension Agreement" means any agreement whereby an applicant agrees to advance the costs of the installation of water facilities to the Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Arizona Corporation Commission (same as line extension agreement).

"Off-Site Facilities" means wells, storage tanks and related appurtenances necessary for proper operation, including engineering and design costs. Off-Site facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation, if these facilities are not for the exclusive use of the applicant and these facilities will benefit the entire water system.

"Service Connection" means and includes all service connections for single-family residential or other uses, regardless of meter size.



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### III. Off-Site Capacity Reservation Charge

Each new service connection shall pay the total Off-Site Capacity Reservation Charge derived from the following table:

OFF-SITE CAPACITY RESERVATION CHARGE TABLE		
Meter Size	Size Factor	Total Fee
5/8" X 3/4"	1	\$875.00
3/4"	1.2	\$1,050.00
1"	2	\$1,750.00
1- 1/2"	4	\$3,500.00
2"	6.4	\$5,600.00
3"	12	\$10,500.00
4"	20	\$17,500.00
6" or larger	40	\$35,000.00

### IV. Terms and Conditions

(A) Assessment of One Time Off-Site Capacity Reservation Charge: The Off-Site Capacity Reservation Charge may be assessed only once per parcel, service connection, or lot within a subdivision (similar to meter and service line installation charge).

(B) Use of Off-Site Capacity Reservation Charge: Off-Site Capacity Reservation Charges may only be used to pay for capital items of off-site facilities, or for repayment of loans obtained for installation of off-site facilities. Off-Site Capacity Reservation Charges shall not be used for repairs, maintenance, or operational purposes.

(C) Time of Payment:

a. For those requiring a main extension agreement –

In the event that the person or entity will be constructing improvements ("Builder") is otherwise required to enter into a main extension agreement, whereby the Builder agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406 (B), payment of the charges required hereunder shall be made by the Builder within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the main extension agreement in accordance with R14-2-406(M).

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- b. For those connecting to an existing main that was installed pursuant to a main extension agreement that was approved by the Arizona Corporation Commission –

In the event that the Builder or other new applicant for service is not required to enter into a main extension agreement, the charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

(D) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to provide water service to any Builder or other applicant for service in the event that the Builder or other applicant for service has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment has not been paid.

(E) Large Subdivision Projects: In the event that the Builder is engaged in the development of a residential subdivision containing more than 50 lots, the Company may, in its discretion, agree to payment of capacity charges in installments. Such installments shall be based on the residential subdivision development's phasing and will attempt to equitably apportion the payment of charges hereunder based on the Builder's construction schedule and water service requirements.

(F) Off-Site Capacity Reservation Charge Non-refundable: The amounts collected by the Company pursuant to the Off-Site Capacity Reservation Charge shall be non-refundable contributions in aid of construction.

(G) Use of Charges Received: All funds collected by the Company as Off-Site Capacity Reservation Charges shall be deposited into a separate interest bearing trust account and used solely for the purposes of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities that will benefit the entire water system.

(H) Off-Site Capacity Reservation Charge in Addition to On-Site Facilities: The Capacity Reservation Charge shall be in addition to any costs associated with a main extension agreement for on-site facilities.

(I) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the Off-Site Capacity Reservation Charge or the Off-Site Capacity Reservation Charge has been terminated by order of the Arizona Corporation Commission (Commission), any funds remaining in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

(J) Fire Flow Requirements: In the event the applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were included in the Off-Site

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Capacity Reservation Charge and which are contemplated to be constructed using the proceeds of the Off-Site Capacity Reservation Charge, the Company may require the applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the Off-Site Capacity Reservation Charge.

(K) Replacement and Superceding of Company's Facilities Construction Advance Tariff: - This tariff schedule, and the capacity charges provided hereinabove, supersede and replace the Company's Facilities Construction Advance tariff, which became effective on June 1, 1989, in accordance with Decision No. 56486. Otherwise, all applicants for service must comply with the terms and conditions governing the establishment of service set forth in the Company's tariff schedules on file with the Arizona Corporation Commission, as they may be amended from time to time. Any unused funds remaining from the Facilities Construction Advance tariff shall be transferred to the Off-Site Capacity Reservation account and used in the manner described herein.

Effective Date: 12-14-00

Approved for Filing in Compliance with  
Decision No. 63259

APPROVED FOR FILING  
DECISION #: 63259

# TARIFF SCHEDULE

# ORIGINAL

**H2O, INC. Tempe Arizona**

Filed by: Donald Schnepf  
Title: President  
Date of Original Filing: May 26, 1994  
Telephone No. 966-0828  
System: 11-060

A.C.C. DOCKET NO. U-2234-94-230  
Cancelling A.C.C. No. (not applicable)  
Decision No. 58641  
Filed: \_\_\_\_\_  
Effective: June 1, 1994

## CROSS-CONNECTION CONTROL

**PURPOSE:**

To protect the public water supply in each of H2O, Inc.'s water systems from the possibility of contamination caused by backflow through unprotected cross-connections by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code, Title 14, Chapter 2, Section 405.B.6 as adopted by the Arizona Corporation Commission, and Title 18, Chapter 4, Section 232, as adopted by the Arizona Department of Environmental Quality.

**INSPECTIONS:**

The customer shall cooperate fully with H2O, Inc., in its efforts to investigate and determine the degree of potential health hazard to the public water supply which may result from conditions existing on the customer's premises.

**REQUIREMENTS:**

In compliance with the Rules and Regulations of the Arizona Corporation Commission and the Arizona Department of Environmental Quality, specifically A.C.C. R14-2-405.B.6 and A.A.C. R18-4-232 relating to backflow prevention:

1. H2O, Inc., may require a customer to pay for and install, maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-232.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under this tariff shall comply with the requirements set forth in A.A.C. R18-4-232.D and E.
3. H2O, Inc., shall give any customer who is required to install and/or test a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is not applicable, the customer shall be given thirty (30) days in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, H2O, Inc., or the Arizona Corporation Commission Staff may grant additional time for this requirement.
4. Testing shall be in conformance with the requirements of A.A.C. R18-4-232.F. H2O, Inc., shall not require an unreasonable number of tests.
5. The customer shall provide H2O, Inc., with records of installation and testing. For each backflow-prevention assembly, these records shall include:
  - a. assembly identification number and description;
  - b. location;
  - c. date(s) of test(s);
  - d. description of repairs made by tester; and
  - e. tester's name and certificate number.

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DECISION #: 58641

**DISCONTINUANCE OF SERVICE:**

In accordance with A.A.C. R14-2-407 and 410 and provisions of this tariff, H2O, Inc., may terminate service or deny service to a customer who fails to install and/or test a backflow-prevention assembly as required by this tariff.

- A. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is applicable, H2O, Inc., may terminate service immediately and without notice. The backflow-prevention assembly shall be installed and repaired by the customer and retested before service is restored.
- B. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be installed and/or repaired by the customer and retested within fourteen (14) days of written notice by H2O, Inc. Failure to install or to remedy the deficiency or disfunction of the assembly, or failure to retest shall be grounds for termination of water utility service in accordance with A.A.C. R14-2-410.

**ORIGINAL**Applies to all service areas**FACILITIES CONSTRUCTION ADVANCE  
(FCA)**

1. This Facilities Construction Advance (FCA) was authorized by the Commission in Decision No. 56486. It is applicable to 280 residential equivalent units for the construction of \$120,000 of facilities to serve customers within the Company's service area.
2. All new requests for service to residential dwelling units or commercial units, which are not otherwise required to enter into a line extension agreement that includes specifically engineered facilities for production, storage or transmission related facilities for that development, shall be subject to a refundable advance in aid of construction 1/ of \$425.00 per residential dwelling unit or equivalent (RDUE). For purposes of calculating RDUEs:
  - a. Each washing machine in a commercial laundromat shall be equivalent to 57% of a RDUE.
  - b. Each designated parking space in a recreational vehicle park shall be equivalent to 25% of a RDUE.
  - c. Laundry facilities at recreational vehicle parks will not be subject to RDUE charges if those facilities are used exclusively for the tenants of the recreational vehicle park. Restaurants at those facilities will be assessed a Facilities Construction Advance based on the restaurant's individual requirements over and above the recreational vehicle park equivalency.

1/ Equal to 693 Gallons Per Day Per CustomerIssued May 25, 1989Effective June 1, 1989**ISSUED BY:**

Donald L. Schnepf  
President/Manager  
H2O, Inc.  
P. O. Box 1450  
Scottsdale, Arizona 85252

APPROVED FOR FILING  
IN COMPLIANCE WITH  
DECISION #: 56486

**ORIGINAL**Applies to all service areas**FACILITIES CONSTRUCTION ADVANCE  
(FCA)****(continued)**

- d. All other development or redevelopment shall be considered on an individual basis, using historical data from similar developments within the service area as a basis for calculating RDUEs. If sufficient historical data is lacking then sound engineering practices shall be the basis for determining RDUEs for establishing the proper FCA.
3. The FCA shall be in addition to the advances that may be required pursuant to a main extension agreement or service line and meter installation charge and is due and payable when water service is requested.
4. H20, Inc., shall make refunds annually to the customer receiving service at that service address (the Customer) on or before August 31, for the preceding July 1 through June 30 period. The amount to be refunded shall be ten percent (10%) of the water revenues (excluding all gross receipts and sales taxes, and all District, Municipal, County, State or Federally imposed regulatory assessments) received from service to the service address. Refunds shall be payable for a period of ten (10) years from the date of payment, but in no event shall the refunds paid to Customer exceed the amount advanced by Customer. No interest shall be paid by H20, Inc. on amounts advanced by Customer. In the event the service address is not receiving service as of the refund date, the Company shall refund that year's refund to the property owner of record.

Issued May 25, 1989Effective June 1, 1989**ISSUED BY:**

Donald L. Schnepf  
President/Manager  
H20, Inc.

P. O. Box 1450  
Scottsdale, Arizona 85252

**APPROVED FOR FILING  
IN COMPLIANCE WITH  
DECISION #: 56486**

**ORIGINAL**Applies to all service areas**FACILITIES CONSTRUCTION ADVANCE  
(FCA)**

(continued)

5. The Company shall collect, in addition to the FCA, the income tax liability of the Company consistent with the procedure outlined in Decision No. 55774. That tax shall be computed as follows:

$\text{Tax Rate} / (1 - \text{Tax Rate}) = \text{Collectible Taxes}$

with the "Tax Rate" equaling the sum of the maximum federal income tax rate for corporations, plus the maximum state income tax rate for corporations, for the year in which the FCA is collected by the Company.

Issued May 25, 1989Effective June 1, 1989

## ISSUED BY:

Donald L. Schnepf  
President/Manager  
H20, Inc.

P. O. Box 1450  
Scottsdale, Arizona 85252

APPROVED FOR FILING  
IN COMPLIANCE WITH  
DECISION #: 56486